

**San Mateo County Harbor District  
Board of Harbor Commissioners  
Minutes**

**December 6, 2006  
7:00 p.m.**

**Coastside County Water District Office  
766 Main Street  
Half Moon Bay, CA 94019**

**Roll Call**

**Commissioners**

Pietro Parravano, President  
James Tucker, Vice President  
x Ken Lundie, Treasurer  
Leo Padreddii, Secretary  
Sally Campbell, Commissioner

**Staff**

Peter Grenell, General Manager  
Eileen M. Wilkerson, Human Resource Manager  
Marcia Schnapp, Director of Finance  
Robert Johnson, Harbormaster  
Dan Temko, Harbormaster  
Theresa N. Hayes, Deputy Secretary  
Marc Zafferano, District Counsel

x- Absent

**Public Comments/Questions — None**

**Staff Recognition-**

Grenell acknowledged Deputy Secretary Hayes for organizing the Employee Appreciation dinner for the District. Grenell credited President Parravano for initiating the proclamation ceremony and presentation made by Rear Admiral Jody Breckenridge of the United States Coast Guard District Eleven to the Pillar Point Harbor Patrol for their search and rescue activities. Temko added that the event went well and his entire crew appreciated the recognition. Campbell added that the event and pictures will be added to the District website.

Johnson expressed his gratitude to Jerry Pemberton for his diligence in rescuing a sixty foot vessel from sinking last Friday night. Johnson also recognized his entire crew for responding as a team to rescue a forty foot trimaran that slammed into the breakwater during high winds on the morning of November 29<sup>th</sup>. Johnson added that without the new patrol vessel which was approved by the Board this would not have been possible.

## Consent Calendar

All items on the consent calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda. Any item on the regular agenda may be transferred to the consent calendar.

- 1**      TITLE:                              **Minutes of Meeting November 15, 2006**  
          REPORT:                          Draft minutes  
          PROPOSED ACTION:      Approval

Campbell requested moving item 1 off the consent calendar.

- 2**      TITLE:                              **Minutes of Special Meeting November 15, 2006**  
          REPORT:                          Draft minutes  
          PROPOSED ACTION:      Approval

**Action:** Motion by Tucker, second by Padreddii to approve item 2 and move item 1 to continued business. The motion passed.

Ayes: 3  
Nays: 0  
Abstention: 1 (Parravano)

## Public Hearing - None

## Continued Business

Campbell stated that on item 7 of the November 15<sup>th</sup> minutes, the action to keep the December 6<sup>th</sup> meeting should say December 20<sup>th</sup>.

**Action:** Motion by Tucker, second by Campbell to approve Item 1 with the correction stated by Campbell. The motion passed.

Ayes: 3  
Nays: 0  
Abstentions: 1 (Parravano)

- 3**      TITLE:                              **Selection of Lowest Responsible Bidder for Pillar Point Harbor Restroom Project Bid and Authorize Contract Execution**  
          REPORT:                          Staff Report  
          PROPOSED ACTION:      To Be Determined

Grenell informed the Board that legal questions revolving around the language in the bid documents still need to be resolved. Grenell recommended not accepting any bids and convening the ad hoc restroom committee meeting to review further possibilities. This item will be brought back to the Board after the committee meeting.

**Action:** Motion by Campbell, second by Padreddii to reject all bids and convene the restroom committee for further review. The motion passed.

Ayes: 4

Nays: 0

**4** TITLE: **Pillar Point Harbor Restroom Low Interest Energy Efficiency Loan Update**  
REPORT: Grenell, Resolution 42-06  
PROPOSED ACTION: Adopt Resolution 42-06 and authorize General Manager to submit loan application

Item 4 was pulled from the agenda.

**5** TITLE: **Commercial Activity Permit for California Abalone Company: Doug Hayes at Pillar Point Harbor**  
REPORT: Memo, Application  
PROPOSED ACTION: To be determined

Item 5 was moved to open session after closed session.

**6** TITLE: **Limited Commercial Activity Permit for Maverick's Surf Ventures, LLC at Pillar Point Harbor**  
REPORT: Memo and Attachment  
PROPOSED ACTION: Approve Limited Commercial Activity Permit for Maverick's Surf Ventures, LLC

Grenell referred to Temko for this item since he attended the December 4<sup>th</sup> meeting on Mavericks convened by the County Supervisor Rich Gordon. Grenell concluded that Doug Epstein of Maverick's Surf Ventures, LLC has accepted a \$10,000 user fee, an increase of \$5,000 and reimbursement for all District costs.

Temko stated that all the main concerns the District had for this season's event were solved. Parking and traffic alternatives have been worked out by Mavericks promoters and the Sheriff's Department to have parking set up at Half Moon Bay Airport. They also plan to open AT&T Park in San Francisco to enable the public to view the event on the big screen. Temko added that a large outdoor screen will be put up at the Half Moon Bay Airport near the parking lot for viewing. A concern for safety on the bluffs has prompted the Sheriff's Department to have personnel patrolling the base of the bluffs and provide barricades along the base to keep people off. Temko concluded that environmental concerns have impelled the Gulf of the Farallones National Marine Sanctuary, volunteers from Save our Shores, and event

personnel to patrol the shoreline this year to keep people from going out on the tidal pools during low tide.

Campbell added that she was impressed by Epstein taking into consideration all of the District's concerns from last year's event and helping to get them resolved.

**Action:** Motion by Tucker, second by Campbell to approve a limited commercial activity permit for Maverick's Surf Ventures, LLC with a \$250.00 permit fee, a \$10,000.00 use fee and reimbursement to the District for all costs incurred. The motion passed.

Parravano added he was impressed by the way members of the community came together to resolve the problems of last year's event through an open, inclusive process.

Epstein added that as usual, there will be a post-event debriefing.

Ayes: 4

Nays: 0

**7** TITLE: **Commercial Activity Permit for Anthony J. Anastole at Oyster Point Marina/Park**  
REPORT: Application  
PROPOSED ACTION: Approve Commercial Activity Permit for Anthony J. Anastole

Johnson stated Anastole has submitted this request to carry passengers for hire, towing services and routine maintenance on vessels. Johnson added that Anastole is hoping for an addendum to do the same thing at Pillar Point Harbor. Johnson suggested that since Anastole is just starting to build this business he should get established before going to Pillar Point Harbor. Campbell asked that Johnson keep Temko apprised so he can make a decision on adding this service to Pillar Point.

**Action:** Motion by Campbell, second by Padreddii to approve a commercial activity permit for Anthony J. Anastole at Oyster Point Marina/Park. The motion passed.

Ayes: 4

Nays: 0

**8** TITLE: **Assets Inventory and Facilities Life Cycle Analysis Update: Selection of Contractor**  
REPORT: Memo, attachments  
PROPOSED ACTION: Accept proposal from RCI Technologies, Inc. for fixed asset valuation and inventory and authorize General Manager to execute an agreement with RCI Technologies, Inc. in an amount not to exceed \$15,470.00; and Accept proposal from BlueWater Design Group for harbor

facilities life cycle analysis update and authorize General Manager to execute an agreement with BlueWater Design Group in an amount not to exceed \$45,700.00

Schnapp recommended to the Board that the RCI Technologies proposal be accepted as the lowest responsible bidder.

Campbell asked whether the database that will be set up and updated each year be included in the price or just something that was discussed. Schnapp answered that it is included for the second year, but the District would have to pay for an ongoing basis after that. Campbell asked Schnapp that if there is a need to seek outside services for this to inform the Board. Schnapp agreed.

**Action:** Motion by Campbell, second by Tucker to approve item 8 as proposed. The motion passed.

Ayes: 4  
Nays: 0

Tucker asked Schnapp if this is a mandated charge. Schnapp stated that GASB 34 requires that every two years agencies do fixed assets inventory.

## **New Business**

- 9      **TITLE:**                    **Oyster Point Development: Exclusive Negotiation Agreement with DeBartolo Development**  
          **REPORT:**                    Memo  
          **PROPOSED ACTION:**    Authorize General Manager to enter into an Exclusive Agreement with DeBartolo Development for Hotel and Commercial Development at Oyster Point Marina/Park

Grenell stated that at a previous Board meeting the Commission authorized retaining the services of Colliers International to explore potential possibilities for hotel and commercial development at Oyster Point Marina/Park. Gary Nichols of Colliers International has found two potential developers. Each has proposed to enter into an exclusive agreement with the District, however only one developer has been put on the agenda; Grenell added that the second potential developer’s proposal came in after the agenda was finalized. Grenell stated that there are several questions and concerns with each proposal and suggested more time to review. Grenell said that Nichols is in the audience to answer any questions the Board might have.

Tucker questioned the last sentence of the first paragraph on the memo which states that \$250,000 is refundable if a lease is not executed. Tucker stated exclusivity usually brings

along a tariff and a tariff is never refundable. Grenell stated there is a typo and that the amount of \$250,000 in the recommendation should be \$100,000.

Campbell stated she feels \$100,000 is fairly cheap to tie up a 20 acre piece of District property for six months to one person with no assurance that the District will be moving forward with it. Campbell added that she feels the \$100,000 should not be refunded if the District does decide to opt for exclusivity with DeBartolo Development.

Campbell stated that since Nichols is representing both DeBartolo and the District she has concerns of dual agency in this large a project. She added that the Board needs specifics before they enter into an agreement. Tucker added that the City of South San Francisco would be the deciding factor in all of this.

Campbell suggested possibly an exclusive agreement with one exception which would be the second proposal received by the District. Grenell stated there are a lot of different options to be explored such as a possible joint proposal.

Nichols stated that at a recent trade show down south where he was marketing property on the Peninsula, he put an agreement together authorizing him to solicit interested parties to make a proposal to the District to develop the Oyster Point Peninsula with the agreement that the District doesn't have to pay him a commission. The commission will be paid to Colliers by the developer. In response to dual agency, Nichols stated he does represent both parties because it's better to be able to go to a developer and tell them he controls the property. He added he represents the District's interest in marketing the property and once that is done he will move forward on helping the developer lease the property.

Tucker asked Nichols if he has a written agreement with DeBartolo. Nichols said no. Tucker stated that a requirement of the Board is to have a written agreement brought before them so they know what the terms of that agreement are.

Campbell concluded that the Board needs a lot of clarification on the dual agency because she feels Nichols would be representing DeBartolo and not the District. Nichols would simply bring the proposals to the District.

Tucker inquired whether Nichols has heard the statements from the Board that the District is looking for a non-refundable deal. Nichols stated yes. Campbell added that she feels Nichols has done a great job with the time that he has had thus far and the Board looks forward to the development.

This item will be taken up at the next meeting.

<b>10</b>	<b>TITLE:</b>	<b>Request for Memorial Bench by Betsy Raines for Husband at Pillar Point Harbor</b>
	<b>REPORT:</b>	Staff Report
	<b>PROPOSED ACTION:</b>	To Be Determined

Temko stated that the report for this item is from a meeting several years ago where the Board agreed that replacing an existing bench does not need to be approved by the Board, and that the amount to be paid is \$3,500.00. Temko added that this item is a replacement bench and needs no action. No action was taken.

**11** TITLE: **Renewal of Administration Office Lease**  
REPORT: Memo  
PROPOSED ACTION: To Be Determined

Grenell informed the Board that he was approached by building management who asked if the District plans to extend their lease at 400 Oyster Point Blvd. Grenell stated that since the District will not be able to obtain and occupy new permanent space in the 2 ½ years remaining on the lease, it is staffs recommendation to approve renewal of lease at 400 Oyster Point blvd. for one year with a one-year option to renew.

Tucker added that several options have been explored by the ad hoc committee. They continue to recommend the preference for seeking a place on the Coastside for the Administration Office. Padreddii concurred with Tucker and stated he prefers the office to be on the Coastside.

**Action:** Motion by Tucker, second by Padreddii to renew the Administration Office lease for one year with a one-year option to renew. The motion passed.

Ayes: 4  
Nays: 0

**12** TITLE: **Amendment to Policy – 6.4.13 Worker’s Compensation**  
REPORT: Policy, Resolution 62-06  
PROPOSED ACTION: Adopt Resolution 62-06 Approving Amendment to Policy 6.4.13

Wilkerson stated this item is to be provided to all employees and has already been negotiated and approved for Operating Engineers.

**Action:** Motion by Tucker, second by Padreddii to approve amendment to policy for Worker’s Compensation. The motion passed.

Ayes: 4  
Nays: 0

**13** TITLE: **Amendment to Memorandum of Understanding (MOU) with Teamsters Local Union No. 856 pursuant to Government Code §54957.6**  
REPORT: Memo, Attachments, Resolution 63-06  
PROPOSED ACTION: Adopt Resolution 63-06 Approving Amendment to

Memorandum of Understanding (MOU) with Teamsters  
Local Union No. 856

Wilkerson stated this is in response to the higher classification pay which has already been negotiated and approved for Operating Engineers.

**Action:** Motion by Tucker, second by Campbell to approve amendment to MOU with Teamsters Local Union No. 856. The motion passed.

Ayes: 4  
Nays: 0

**14** TITLE: **New Policy 6.4.12 Qualified IRS Section 125 Flexible Spending Accounts**  
REPORT: Policy, Resolution 64-06  
PROPOSED ACTION: Adopt Resolution 64-06 Approving Policy 6.4.12 and Authorize the General Manager to Contract with an IRS Section 125 Provider

Wilkerson stated that this new policy does not need to be negotiated into any contract and it's a tax deferred flexible spending account which will be of great benefit to the District and its employees.

**Action:** Motion by Campbell, second by Padreddii to approve new policy 6.4.12 Qualified Section 125 Flexible Spending Accounts. The motion passed.

Ayes: 4  
Nays: 0

**15** TITLE: **Rates and Fees Schedule for FY 2007-08**  
REPORT: Rates and Fees Schedule for FY 2006-07 for reference  
PROPOSED ACTION: To Be Determined

This item has been moved to December 20<sup>th</sup> Agenda.

Campbell asked that staff look into why Pillar Point's transient berth rate is cheaper than at Oyster Point Marina/Park. Campbell suggested that on promissory notes to people who don't pay their bills, the percentage be changed from two percent to four percent.

Staff will review and bring it back to the next meeting.

**16** TITLE: **Bills and Claims in the Amount of \$1,886,994.89**  
REPORT: Bills and Claims Detailed Summary  
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$1,886,994.89 to cover payment of Bills



## and Claims

Padreddii informed the Board he reviewed the Bills and Claims and found them in order. He added that the actual amount of bills and claims was for \$116,510.62 and the rest is for an interest payment and principal loan payoff to the Department of Boating and Waterways.

**Action:** Motion by Padreddii, second by Campbell to approve bills and claims in the amount of \$1,886,994.89. The motion passed.

Ayes: 4

Nays: 0

## URGENCY ITEM

Campbell stated she has an urgency item. The urgency item is a proclamation to recognize Rod Schoenlank for his contributions to children at the annual Pillar Point boat decorating contest.

Grenell clarified that this was an urgency item because staff would like to be able to present this proclamation to Mr. Schoenlank at the December 16<sup>th</sup> boat decorating event and the next meeting isn't until December 20<sup>th</sup>.

**Action:** Motion by Campbell, second by Tucker to approve urgency item to the agenda for December 6<sup>th</sup>, 2006. The motion passed.

Ayes: 4

Nays: 0

## Reports for Possible Discussion/Action

### Administration and Finance

**17 General Manager - Grenell**

Nothing to add to written report.

**18 Director of Finance - Schnapp**

**Action:**

Schnapp informed the Board that she included a schedule of loan payments for DBAW in her report and thanked the Board for approving the pay off of the first loan. Padreddii complimented Schnapp on the hard work she put into preparing this report.

**19 Human Resources Manager – Wilkerson**

Nothing further to add to written report.

## Operations

### 20 Oyster Point Marina/Park - Johnson

#### **Action:**

**Launch Ramp:** Johnson stated he received documents from Tim Bazley for permits on the launch ramp and approval of CEQA documents will be brought before the Board for approval at the next meeting.

**Dredging:** Johnson spoke with a representative from Coyote Point Marina about dredging prices and will most likely recommend a budget of \$18.50 per yard for the project. Johnson stated he is hoping to go out to bid sometime in April. He added he has preliminary reports in for sediment samples and at this point there are no concerns, but it is still pending.

Parravano stated that since the District doesn't know what the analysis will say, there should be a contingency factor in his figure stating that if the test doesn't come out clean there will be an increase in the fee. Johnson agreed.

Johnson concluded that he had spent the morning at the Bay Conservation Development Commission (BCDC) where he spoke about the Bay Water Trail. He added the reason he was chosen to speak was because of the variety of public access that the District has installed at Oyster Point Marina/Park.

Grenell added that he has submitted a draft report to the Coastal Commission regarding the Mid Coast Local Program Update and the Median Strip and would like to have comments from the Board for the final submittal.

### 21 Pillar Point Harbor – Temko

#### **Action:**

**Boat Decorating Contest:** Temko extended his welcome to the Board, District staff and members of the public to attend Pillar Point's annual boat decorating contest on Saturday, December 16<sup>th</sup> at 6 p.m. He added that the Monterey Bay National Marine Sanctuary will have their new vessel the Fulmar, decorated and docked at Pillar Point for viewing and tours.

**Johnson Pier Project:** Temko stated there is an issue with a "low mod" application on the end of the pier and the District has chosen not to accept the application because there are problems with the material. The supplier of the material has agreed at their cost to alter the application. Temko concluded that the majority of the project work has been completed and a walk through was done on November 30<sup>th</sup>.

Tucker complimented Temko for having a supplier's representative on the job site

when the material failed, so the representative cannot say that it was applied wrong. Parravano added that this was a long, strenuous project and Temko and staff are well recognized for the work they did on this.

## Board of Harbor Commissioners

- 22    A. Committee Reports  
      B. Commission Statements and Requests  
          **The Board of Harbor Commissioners may make public statements and requests. Requests may be made to place items on future agendas.**

Parravano thanked staff for a well-organized employee appreciation dinner.

Parravano announced that item 24 would be replaced in the agenda by a Special Meeting.

Grenell introduced Jeffrey Miller of Red River Smoke House to the Board. Miller and his business partner, Mike Popiel, were present in connection with Agenda item 25.

- 23    TITLE:                   **Identify Real Property Negotiator Pursuant to Government Code §54956.8**  
      REPORT:               Zafferano  
      PROPOSED ACTION:   Identify Real Property Negotiator Peter Grenell

Zafferano, District Counsel, identified Grenell as the Real Property Negotiator.

**Action:** Motion by Tucker, second by Campbell to go into closed session. The motion passed at 8:25 p.m.

Ayes: 4

Nays: 0

Parravano convened the Special Meeting of the Harbor Commission at 8:35 p.m.

### CLOSED SESSION OF SPECIAL MEETING

## Roll Call

### Commissioners

Pietro Parravano, President  
James Tucker, Vice President  
x Ken Lundie, Treasurer  
Leo Padreddii, Secretary

### Staff

Peter Grenell, General Manager  
Marc Zafferano, District Counsel

Sally Campbell, Commissioner

**Public Comment**- None

**Staff Recognition**- None

**Action:** Motion by Tucker, second by Campbell to adjourn to closed session. Motion passed by unanimous vote at 8:39 p.m.

- 1        **TITLE:**                                **Conference with Legal Counsel: Anticipated Litigation Significant Exposure to Litigation per Government Code Section §54956.9(b)(3)(B): One Case: Regarding California Abalone Company License**
- REPORT:**                                 Grenell, Zafferano
- PROPOSED ACTION:**    To Be Determined

No reportable action from special meeting closed session.

**Closed Session of Regular Meeting**

- 24        **TITLE:**                                **Conference with Counsel, Potential Litigation: Doug W. Hayes, dba The California Abalone Company concerning License for area of submerged lands and overlying water approximately 60 feet wide by 248 feet long, it's southeast corner approximately 175 feet at 339 degrees from the knuckle of the Pillar Point Harbor West Breakwater, Pillar Point Harbor, El Granada, San Mateo County: Pursuant to Government Code Section §54956.8**
- REPORT:**                                 Grenell
- PROPOSED ACTION:**    To Be Determined

This item was removed from the closed session agenda.

- 25        **TITLE:**                                **Conference with Real Property Negotiator: Ship to Shore Fish Market and BBQ Deck, Parcel 5, One Johnson Pier, Lessee Building, APN 047-083-060 Pillar Point Harbor, El Granada, San Mateo County: Regarding Lease, Price and Terms and Conditions Pursuant to Government Code Section §54956.8**
- REPORT:**                                 Grenell
- PROPOSED ACTION:**    To Be Determined

26 TITLE: **Conference with Real Property Negotiator: Ketch Joanne Restaurant and Harbor Bar, Parcel 3, One Johnson Pier, Lessees Building, APN 047-083-060, Pillar Point Harbor, El Granada, San Mateo County Regarding Lease, Price, and Terms and Conditions Pursuant to Government Code Section §54956.8**  
REPORT: Grenell  
PROPOSED ACTION: To Be Determined

## **Continued Business, Cont'd**

No reportable action from Closed Session.

27 TITLE: **(1) Adopt Resolution 59-06 to Approve Assignment of Lease of Huck Finn Sportfishing to Ketch Joanne Restaurant and Harbor Bar; (2) Approve Amendments to Ketch Joanne Restaurant and Harbor Bar Lease; and (3) Adopt Resolution 60-06 to Approve the Termination of the Huck Finn Sportfishing Lease.**  
REPORT: Memo and Attachments, Resolutions  
PROPOSED ACTION: Adopt Resolution 59-06 to Approve Assignment of Lease to Ketch Joanne, Approve Amendments to Ketch Joanne Lease and Authorize President of Board of Harbor Commissioners to Execute Consent of Lessee Form, and Adopt Resolution 60-06 to Approve the Termination of the Huck Finn Sportfishing Lease.

**Action:** Motion by Campbell, second by Tucker, to adopt Resolution 59-06 and 60-06 and amendments to the Ketch Joanne Restaurant and Harbor Bar lease. The motion passed 4-0.

Items 5 and 28 were put over.

28 TITLE: **Extension of License Option for California Abalone Company**  
REPORT: Grenell  
PROPOSED ACTION: To Be Determined

## Adjournment

**Action:** Motion by Parravano, second by Campbell to adjourn the meeting. Motion passed unanimously at 9:51 p.m.

The next regularly scheduled meeting will be held on December 20, 2006 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco, CA 94083 at 7:00 p.m.

APPROVED BY:

*Pietro Parravano*

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Pietro Parravano  
President

ATTESTED BY:

*Theresa N. Hayes*

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Theresa N. Hayes  
Deputy Secretary